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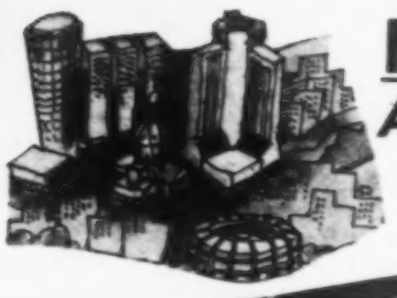

HOME CENTER SHOW SPECIAL:

Atlanta's best home center retailers—page 21

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National
Home Center News®

Vol. 11, No. 6 $2 a copy The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. March 11, 1985

MR. HOW SHAKEUP:

Sher resigns; Zimmerman takes charge

MARGATE, Fla. — Pat Sher and Steve Dougherty, the president and executive vice president of Mr. HOW Warehouse here, resigned on Feb. 25 from the company Sher founded three years ago.

Raymond Zimmerman, president and ceo of Mr. HOW's parent company, Service Merchandise, the Nashville-based catalog showroom chain, will replace Sher, at least temporarily, as president of the home center subsidiary. He told *NHCN* that his plans called for shuttling between his offices in Florida and Tennessee every 10 days.

(Continued on page 222)

Brightly lit aisles flanked by deeply stocked warehouse racks characterize the flagship store of the new Home Quarters Warehouse in Virginia Beach, Va. NHCN photo

Grace opens first real warehouse stores in chain

By Phillip M. Perry
NHCN senior editor

VIRGINIA BEACH, Va. — Home Quarters Warehouse scheduled a Feb. 28 grand opening for the first two stores in a projected chain of warehouse home centers. The move represented an attempt by the $6.7 billion W. R. Grace &.Company to establish a full-scale warehouse home center operation.

Grace launched HouseWorks in March 1983 as a warehouse venture but has so far opened only seven units, which it now regards as "super stores".

The company has scheduled an initial period, lasting until midyear, to review the performance of the new Home Quarters (HQ) stores and make any alterations in the formula before rolling out more units. The company declined to comment on the number of stores it would build or the regions involved.

Grace's flagship warehouse store, consisting of an 82,000-sq.-ft. showroom, in a former Woolco, with a 15,000-sq.-ft. outside garden supplies area, is positioned along busy Virginia Beach Boulevard about six miles from the shore. It doubles as the chain's headquarters. A second unit, with some 72,000 sq. ft. of shopping space plus a 20,000-sq.-ft. outside area, a former Montgomery Ward, is located about 27 miles away, in the town of Hampton, Va.

Although Grace is a relative latecomer to the warehouse home center field, it has in some ways learned from its HouseWorks experience and the experience of others. In particular, signing in the store is larger than that used by some competing chains, and its positioning makes it much easier for shoppers to locate departments. Additionally, its inventory control system is "go" from Day One, allowing the floor people to spend their time in the selling effort rather than in counting merchandise.

(Continued on page 224)

Home Shop files for Chapter 11; fate rests on credit line approval

By John Caulfield
NHCN senior editor

JACKSONVILLE, Fla. — Saddled with close to $8 million in debt, and with 23 stores generating only $150,000 in weekly sales, The Home Shops Inc. has filed for protection under Chapter 11 of the U.S. Bankruptcy Code.

An emergency hearing in Bankruptcy Court here was scheduled for March 4, at which Home Shop officials will seek court approval for an $800,000 line of credit from the chain's lead bank, Bank of Virginia in Richmond.

Home Shop's very survival could hinge on that decision, as its stores have been operating since January with virtually no credit, and have not been receiving merchandise from any of its vendors. "That's a pretty bad way to run a retail operation," said E. A. "Skip" Couser, chief operating officer for the chain, who came in last November from the 17-unit Scott's chain in Baltimore, where he was vp-operations.

He and Home Shop's new president, William Ulm, have spent the past three months reorganizing the chain (*NHCN*, Jan. 1), and Ulm, in a prepared statement, said the Chapter 11 filing would provide Home Shop with a "breathing spell".

But even if it gets this new credit line, which appeared likely, it remains to be seen if the original concept of a chain of successful convenience hardware/housewares stores, developed by Home Shop's parent, American Shelter Industries, can be realized, or whether Home Shop's new management team is more adept at running things than were previous executives.

(Continued on page 223)

NEWSBREAKS

MOORE'S LARGEST STORE. Moore's opened its largest store to date on Feb. 11, a 77,000-sq.-ft. warehouse (its fifth) located within the Pembroke Mall in Virginia Beach, Va. The unit also has a 42,000-sq.-ft. outdoor area which includes the market's first drive-thru lumberyard.

Yard-Pro Warehouse aims to become 'Home Depot' of lawn & garden business

BOCA RATON, Fla. — Two former executives of Mr. HOW Warehouse have left that company to open a chain of warehouse lawn and garden centers.

Jack Getzinger and John Tilton are now, respectively, the president and executive vp of "Yard-Pro! Warehouse," a company with plans to build four new stores in Broward County over the next eight months, and another 46 specialty units in southern Florida within the next five years.

Getzinger, 39, was Mr. HOW's hardware and plumbing merchandise manager, and previously worked for Lindsley Home Centers in Miami. Tilton, 41, who will also be merchandise manager of the new firm, bought electricals for Mr. HOW, and opened its first store in Coconut Creek, Fla. And,

(Continued on page 223)

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Menard's restrained *from selling alleged knockoffs* . . . . **Page 2**
Williams Brothers launches *ambitious expansion, remerchandising program* . . . . . **Page 3**
White's shifts strategy *to automotives* . . . . . **Page 3**
Handy Andy adding *more stores in Chicago* . . . . . **Page 3**
Mr. Goodbuys' new warehouse *has department store appeal* . . . . . **Page 38**
What's in a name? *Companies choose store names to attract the right kind of customer* **Page 86**
Retailers illuminate *reasons behind their new in-store lighting systems* . . . . . **Page 149**
Woodbury's, *the $24 million, New York State independent, retrofits its flagship for more retail impact* . . . . . **Page 164**
Personality Profile: Bob McNulty. *Desire to win ingrained in HomeClub's founder* . . . . . **Page 212**

Grace's Lil' Red leaps into large cast of industry cartoon characters
—Page 79

Family-run independent takes home's needs a few steps further
—Page 160

PART II ***—Page 101***

NHCNews Briefs

Industry Update

O'Malley closes two stores

PHOENIX — O'Malley Building Materials has closed two stores—one in Phoenix and one in Tucson operating under the Handy Andy name—and plans to close a third store in the Paradise Valley section of Phoenix.

Perry Steinhoff, advertising manager for the 17-unit chain, said none of the affected stores have outside lumberyards, and "we are trying to retrench by attracting customers to our strength—a complete lumber selection."

The Phoenix store at 52nd Avenue and Indian School closed Dec. 29, and the Tucson unit closed Dec. 24.

Meanwhile, O'Malley on March 6 held a grand opening in Tucson as part of a promotion in which the three remaining Handy Andy stores which O'Malley bought in 1983 were changed to the O'Malley name. "We just want the stores to be rediscovered by the Tucson residents," Steinhoff said.

Steinhoff said there was no timetable for closure of an O'Malley unit in Paradise Valley at Cactus and 32nd Street, where O'Malley is reducing inventory.

Depot opens Bowater buy-outs

DALLAS — Home Depot held a grand reopening Feb. 21 for the nine Bowater home centers it acquired late last year. Six units are located in this city, one each in Baton Rouge and Shreveport, La., and another in Mobile, Ala.

The company installed new signing, opened up stockroom areas to the public, removed mezzanines, installed additional pallet racking, and re-laid most of the checkout areas over an eight-week period, just prior to the opening. Showrooms now range from 65,000 sq. ft. to 80,000 sq. ft.

The stores, purchased for $40 million in a swift, opportunistic move, had represented to many observers the opening act in the inevitable consolidation of the warehouse home center industry. (*NHCN*, Nov. 19, 1984.)

CBS strikes new Belknap deal

STURGIS, Mich. — Central Builders Supply Co. has renegotiated an agreement with the new ownership of Belknap, Inc., the Louisville hardware distributor: It will have Belknap supply CBS lumber dealers with hard lines from its 51,000 sku selection.

CBS and Belknap had reached a similar agreement last summer, about the same time Belknap underwent an almost complete change in management following its merger with the Concord Corp. division of Humana, a health care company, on June 29. Belknap's president, secretary-treasurer and director of purchasing all resigned from the newly private company (*NHCN*, July 30, 1984).

"We were afraid that Belknap might want to change our agreement, which would be quite damaging to us now that we're soliciting dealers from 30 states," said Phil Pobanz, CBS's general manager. The nonprofit buying group currently services 425 dealers in 23 states.

Pobanz thought the renegotiated settlement, which he hammered out with Tom Luster, Belknap's vice president and a former executive with HWI, was "actually an improvement over our original deal, in terms of incentives and cash rebates."

He also noted that Belknap's recent warehouse expansion into Charlotte, N.C., and Dallas would facilitate CBS's own growth plans.

Ole's relocating headquarters

PASADENA, Calif. — Ole's Home Centers, acquired by W. R. Grace last July, will vacate its current 39,000-sq.-ft. office complex here and relocate to Grace's 50,000-sq.-ft. western region offices in Brea, Calif.

Harvey Knell, president of the 90-store western region, said no date for the move has been established. He added that although Brea is a bigger facility, "we'll have to get a satellite facility" nearby to accommodate all employees.

Hacienda sets 6th unit opening

ALBUQUERQUE, N.M. — Hacienda Home Centers, New Mexico's largest home center chain (1984 estimated sales: $25 million) has set March 28 for the grand opening of its sixth store.

The store, a 40,000-sq.-ft. ex-Gibson discount store on 7½ acres, is the chain's first outlet situated within the city limits of Albuquerque (*NHCN*, Nov. 19, 1984).

The new outlet, located at 7512 Fourth St. N.W., will include a drive-thru lumberyard. The 40,000-sq.-ft. showroom will be the largest in the chain.

National Home Center News (ISSN 0192-6772) is published biweekly, every other Monday, 25 times a year, beginning with the first Monday in January through the fourth Monday in November, monthly in December; by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Manufacturers, schools, libraries and all others: $25 a year ($26 Canadian). Single copy rate $2 except first May issue (Annual Census) and second July issue (Consumer Attitude Study)$15 each. Foreign subscriptions: Airmail only, $125 per year.

Second class postage paid at New York, N.Y., and additional mailing offices. Vol. 11., No. 6, Copyright© 1985 by Lebhar-Friedman Inc. All rights reserved. Postmaster: Please send address changes to Subscription Dept., National Home Center News, 99 Park Ave., New York, N.Y. 10157. For change of address six weeks is requested. Give old and new address and zip code. If possible, enclose address portion from cover on previous issue.

Vol. 11, No. 6 March 11, 1985

Menard's agrees to temporary restraining order in work bench infringement case

CHICAGO — Menard's, the Eau Claire, Wis., retailer, has agreed to a stipulated temporary restraining order to stop selling two work bench products that are alleged to be knockoffs of merchandise made by Hirsh Co., the Skokie, Ill., manufacturer.

On Jan. 18, Hirsh filed suit against Menard's, claiming that a work station and stool sold under the dealer's private label infringed on the rights of Hirsh's products.

This suit amended a Jan. 11 filing against Collins Co. Ltd., a trading firm, which Hirsh claims is importing knockoffs of several of its lines, and was originally thought to have been supplying Menard's.

According to Richard Redmond, one of the attorneys representing Menard's from Walsh, Case, Coale, Brown & Burke in Chicago, said the connection betwen his client and Collins was made by Hirsh because a Menard shipping box is visible behind merchandise displayed in photographs in one of Collins' brochures.

However, Redmond contends that Menard's and Collins "have never done any business."

Permanent injunction

A Chicago court has since issued a permanent injunction by reason of default against Collins, which never defended itself in court. "It wasn't like they weren't notified," said Pamela McKenna, an attorney with Welsh & Katz, Hirsh's representation, which is now seeking damages from Collins.

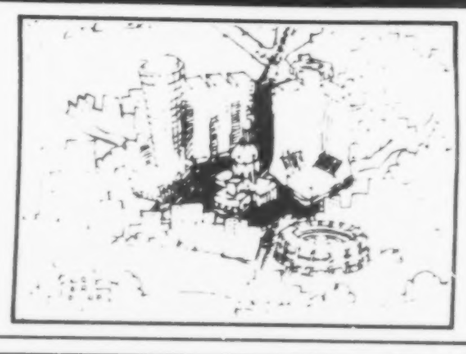
Additional suit

Menard's will continue to desist selling the merchandise in question until some resolution to the suit is found. Currently, each side is in discovery and is awaiting to see if a preliminary injunction hearing is forthcoming. Menard's is also in discovery in another suit filed last October by Household International, which alleged the chain was selling faucets that infringed on the "Aqua-Line" tradename of U.S. Brass, a Household subsidiary.

Highlights in this issue

National Home Center Show Special

- *Atlanta's home building activity and strong economy provide a rich market for home center operators. Major chains now run 47 home center outlets in Atlanta. Independents operate about an equal number.* NHCN *has selected eight "should see" home centers.* **—Page 21**
- *Seminars at the National Home Center Show will focus on both large and small companies (show schedule).* **—Page 33**



Merchandising

- *Carpeting rolls out of more home centers.* **—Page 45**
- *Millwork and treated wood sales to rise.* **—Page 48**
- *Automotives: Why home centers pass on a booming market.* **—Page 53**
- *Lumber Outlook: Short-term demand slow; long-term growth rises.* **—Page 47**
- *Shoppers lift drop ceilings to decor.* **—Page 58**
- *Dealers expect step-up sales in power mowers.* **—Page 64**
- *Home centers expand their lawn and garden departments.* **—Page 70**

Advertising & Marketing

- *Bevy of cartoon characters enlisted for DIY ads.* **—Page 79**
- *San Diego Glass & Paint gets more bang for its ad buck.* **—Page 81**
- *Despite all the "homes" in the DIY industry, choosing a new name can be difficult work.* **—Page 87**
- *Renovator's Supply plans 400-unit growth.* **—Page 88**

Canadian Home Center Outlook

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- *Dunlop Consumer Products rolls out new retail retrofit program.* **—Page 156**
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- *DIY videotex use poised for dramatic increase.* **—Page 148**
- *Lighting takes on new home center importance.* **—Page 149**

- *All American adds 19 service booths to store.* **—Page 138**
- *Andersen and dealer clash over trade name use.* **—Page 140**
- *Pittsburgh independent grows amid economic adversity.* **—Page 141**
- *Rural independent retrofitting its flagship store for more retail impact.* **—Page 164**
- *Former executives reflect on the state of the industry.* **—Page 93**
- *McNulty: desire to win, energy and timing are key personality traits of HomeClub's founder.* **—Page 212**
- *Consumer magazines help shape DIY ideas for future projects.* **—Page 195**

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Tapping the industry's most precious resource

- *Raiders of the sought-after executive: The industry's growth heightens the demand for "good people."* **—Page 102**
- *Store manager burnout: Expanded hours and fierce competition place more stress at the store-level.* **—Page 107**
- *Sharing the wealth helps retailers attract and keep talented workers.* **—Page 108**
- *Treasury tax proposal could dull ESOPs' shine.* **—Page 110**
- *Industry execs begin to address training needs.* **—Page 112**
- *Tailored health care plans help control costs.* **—Page 130**

FINANCIAL NEWS

23 Gainers

2 Unchanged

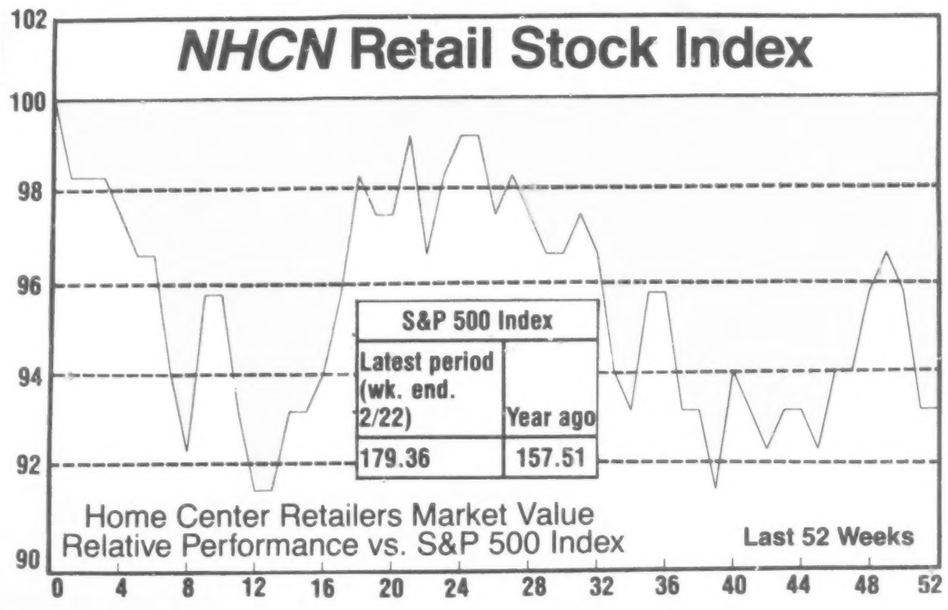
29 Losers

The stock market in general appeared to be taking a breather from last month's active pace as no clear upward or downward trend emerged over the past two weeks. And, the situation for home center stocks was no different than for the entire market.

Industry stocks turned in a greatly mixed performance over the last two-week period, ended Feb. 22, with 23 issues gaining ground, 29 stocks declining and two remaining unchanged. For the second consecutive two-week period, the *NHCN* Retail Stock Index stood at 94.0, relative to the S&P 500 Index, which closed 21.85 points above its year-ago level.

Top winners included Lowe's Cos., Home Depot, Homecrafters Warehouse, Hechinger and Evans Products. A securities analyst who follows Evans said that the recent wide swings in the stock's price and trading volume were brought about by arbitragers speculating on the firm's unclear future.

Lowe's, which ended the period at $29.25, hit its 52 week high of $30 during the previous two weeks. Home Depot shot up from $16 to $18.75, Homecrafters edged up to $9.63, up $1.13, Hechinger B closed at $27.25, a $1.50 rise, and Evans stood virtually unchanged at $5.



MOST ACTIVE STOCKS

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
	(100)	%	%
Triangle Pac N	6,280	717.5	6.1
Potlatch Cp N	9,166	534.0	- 4.7
Hines Ed Lumber O	200	386.7	- 3.6
Color Tile M	16,638	384.7	4.0
Certain-teed N	6,287	341.3	- .5

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
	(100)	%	%
Wolohan Lumber M	2,451	319.0	3.9
Clopay Corp A	209	270.2	6.3
Waxman Ind M	936	249.4	12.3
Erb Lumber O	67	226.1	10.5
Natl Lumber M	1,108	203.1	19.6

TOP GAINERS

Company & Market	2-Weeks Ended 2-22-85	2-Week Price Change	Total 2-Week Volume
	$	%	(100)
Natl Lumber M	6.88	19.6	1,108
Evans Prod N	5.00	17.6	2,657
Home Depot N	18.75	17.2	10,803
Homecrafters Whse M	9.63	13.2	2,814
Waxman Ind M	18.25	12.3	936

TOP LOSERS

Company & Market	2-Weeks Ended 2-22-85	2-Week Price Change	Total 2-Week Volume
	$	%	(100)
Sherwin-Wms N	31.00	- 11.4	7,766
La Pacific N	22.25	- 9.6	9,435
Emhart Corp N	29.50	- 8.2	2,107
SW Forest Ind N	14.00	- 7.4	2,009
Lewis Palmer M	9.00	- 6.5	882

National Home Center News®

HOME CENTER INDUSTRY MARKET SUMMARY

Stock Market — Price: 2-Weeks Ended 2-22-85; 2-Weeks Change: Amt., Pct.; 2-Week Range: High, Low; 52-Week Range: High, Low. Volume: 2-Weeks Shares Traded: Total, % Out; 12-Week Avg. Vol. As % Out; Volume Trend Change. P/E Ratio.

Financial Update — Indicated Divd. Rate: Amt., Yld. Latest Report: New Report, Period, Date Ended. Latest Quarter: Revenue Amt., Chg.; Net Income Amt., Chg.; E.P.S. Amt., Chg. Year-to-Date: Revenue Amt., Chg.; Net Income Amt., Chg.; E.P.S. Amt., Chg.

Company and Market	2-Weeks Ended 2-22-85	2-Weeks Change Amt.	2-Weeks Change Pct.	2-Week Range High	2-Week Range Low	52-Week Range High	52-Week Range Low	2-Weeks Shares Traded Total	2-Weeks Shares Traded % Out	12-Week Avg. Vol. As % Out	Volume Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Amt.	Latest Quarter Revenue Chg.	Latest Quarter Net Income Amt.	Latest Quarter Net Income Chg.	Latest Quarter E.P.S. Amt.	Latest Quarter E.P.S. Chg.	Year-to-Date Revenue Amt.	Year-to-Date Revenue Chg.	Year-to-Date Net Income Amt.	Year-to-Date Net Income Chg.	Year-to-Date E.P.S. Amt.	Year-to-Date E.P.S. Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																													
Boise Cascade N	41.88	- 2.25	- 5.1	44.25	41.88	44.63	32.50	10,182	3.68	1.89	94.7	18.8	1.90	4.5	.....	fiscal	12-84	907.2	.7	(24.5)	- 100.0	(1.01)	- 100.0	3816.9	10.6	69.6	15.2	2.23	16.8
Color Tile M	19.38	.75	4.0	20.00	18.63	20.00	13.63	16,638	18.08	3.73	384.7	13.0	.00	.0	.....	6 mos.	12-84	83.2	21.1	3.4	- 5.6	.37	2.8	158.7	20.7	6.2	- 1.6	.68	9.7
Edison Bros N	35.63	- 1.13	- 3.1	37.00	35.50	39.75	32.50	1,623	1.60	.60	166.7	8.2	1.60	4.5	.....	9 mos.	09-84	270.7	8.6	8.9	- 14.4	.88	- 8.3	777.5	8.6	24.5	- 9.9	2.37	- 5.6
Erb Lumber O	21.00	2.00	10.5	22.00	19.00	24.50	18.00	67	.75	.23	226.1	9.8	.00	.0	.....	9 mos.	09-84	43.3	1.6	1.2	- 7.7	1.30	- 11.0	113.6	11.2	2.1	- 4.5	2.29	- 6.1
Evans Prod N	5.00	.75	17.6	5.25	4.00	7.88	3.00	2,657	1.92	.88	118.2	NE	.00a	.0	.....	9 mos.	09-84	404.2	10.6	(12.6)	NE	(.99)	NE	1030.0	6.1	(52.6)	NE	(4.04)	NE
Forest City Ent A	21.63	- .13	- .6	22.00	21.50	22.00	15.00	38	.09	.30	- 70.0	69.8	.15	.7	.....	9 mos.	10-84	85.8	284.8	2.7	NC	.34	NC	256.5	37.5	3.1	- 35.4	.39	- 35.0
Grace W R N	40.50	- 1.13	- 2.7	41.25	40.00	44.50	36.50	10,910	2.25	.98	129.6	10.1	2.80	6.9	.....	fiscal	12-84	1830.8	4.4	59.1	13.0	1.22	2.5	6727.8	8.2	195.6	27.0	4.02	26.8
Hechinger A M	24.75	- .13	- .5	25.00	24.50	25.00	13.50	1,096	1.57	1.28	22.7	NA	.16	.6	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B M	27.25	1.50	5.8	27.50	25.50	27.25	14.00	982	.54	.33	63.6	24.8	.10	.4	.....	9 mos.	10-84	100.4	28.7	4.7	30.6	.26	36.8	302.7	31.3	14.8	33.3	.81	32.8
Hines Ed Lumber O	40.50	- 1.50	- 3.6	42.50	40.50	43.75	32.50	200	1.14	.23	395.7	27.4	1.00	2.5	.....	9 mos.	09-84	85.5	20.4	2.2	144.4	1.24	148.0	212.4	13.2	2.3	53.3	1.30	52.9
Homecrafters Whse M	9.63	1.13	13.2	10.00	8.00	16.25	5.25	2,814	9.97	3.64	173.9	45.8	.00	.0	.....	fiscal	12-83	NC	NC	NC	NC	NC	NC	104.5	NC	.8	NC	.21	NC
Home Depot N	18.75	2.75	17.2	19.00	15.75	27.88	12.00	10,803	4.32	1.94	122.7	34.1	.00	.0	.....	9 mos.	10-84	100.5	56.8	3.3	43.5	.13	44.4	315.4	81.6	10.5	50.0	.42	50.0
K mart Cp N	35.25	- 1.38	- 3.8	37.38	35.25	41.50	26.75	61,992	4.95	1.90	160.5	8.4	1.24	3.5	.....	9 mos.	10-84	4993.3	15.3	92.4	13.5	.71	12.7	14220.4	9.8	294.8	21.0	2.27	20.1
Lowe's Cos N	29.25	1.75	6.4	30.00	27.13	30.00	16.25	6,297	1.74	1.19	46.2	17.5	.32	1.1	.....	9 mos.	10-84	447.7	17.2	17.6	23.9	.49	25.6	1312.9	19.4	50.9	23.8	1.41	23.7
Mich General A	7.50	- .50	- 6.3	8.13	7.13	8.50	4.63	2,068	1.82	1.36	33.8	25.9	.00	.0	.....	9 mos.	09-84	123.9	327.2	2.0	122.2	.18	200.0	344.3	335.8	4.8	45.5	.42	- 16.0
Natl Lumber M	6.88	1.13	19.6	7.50	5.75	9.25	4.50	1,108	1.97	.65	203.1	34.4	.00	.0	NEW	9 mos.	09-84	33.7	10.9	.3	- 66.7	.05	- 73.7	96.1	14.4	1.0	- 52.4	.18	- 60.0
Pay N Pak N	13.75	- .50	- 3.5	14.38	13.50	17.50	11.50	1,791	1.79	1.39	28.8	12.2	.60	4.4	.....	9 mos.	11-84	81.5	20.0	2.7	- 15.6	.27	- 20.6	243.7	24.3	8.9	14.1	.89	2.3
Payless Cash N	19.75	- .13	- .6	20.50	19.25	21.25	13.50	20,592	6.37	2.31	175.8	17.2	.16	.8	NEW	fiscal	11-84	330.5	31.7	9.5	- 6.9	.29	- 23.7	1174.4	35.9	37.2	7.5	1.15	- 10.9
Scott Seabd O	1.25	.00	.0	1.75	1.13	3.25	1.00	51	.28	.22	27.3	NE	.00	.0	.....	9 mos.	10-84	9.0	3.4	.0	- 100.0	(.01)	- 100.0	29.5	7.3	.2	- 75.0	.12	- 70.7
Scotty's Inc N	15.50	- .25	- 1.6	16.38	15.00	16.38	11.38	1,983	1.50	.59	154.2	11.2	.52	3.4	.....	6 mos.	12-84	109.6	9.3	3.6	9.1	.26	.0	211.3	8.0	7.0	7.7	.52	.0
Sears, Roebuck N	35.50	.38	1.1	36.00	34.63	37.63	29.50	69,106	1.91	.87	119.5	8.9	1.76	5.0	NEW	fiscal	12-84	11097.7	2.1	558.3	- 4.2	1.54	- 6.7	38830.0	7.8	1450.0	8.0	4.01	5.5
SW Forest Ind N	14.00	- 1.13	- 7.4	15.13	13.88	22.50	13.50	2,009	2.16	1.43	51.0	16.9	.00	.0	NEW	fiscal	12-84	189.9	47.3	.9	NE	(.06)	NE	777.4	22.2	14.0	NE	.83	NE
Std Brd Pnt N	20.88	.75	3.7	21.00	20.00	22.00	16.50	4,937	4.43	1.87	136.9	11.8	.54	2.6	.....	9 mos.	10-84	81.5	2.4	5.3	- 3.6	.48	- 2.0	244.2	6.1	16.3	6.5	1.47	6.5
Supermkts Gen N	37.88	.00	.0	38.00	36.25	38.75	19.75	2,021	1.14	.93	22.6	15.3	.42	1.1	.....	9 mos.	10-84	1149.7	30.6	10.4	33.3	.58	31.8	3010.6	15.7	30.3	11.8	1.70	11.1
Wolohan Lumber M	6.63	.25	3.9	7.00	6.00	7.00	4.00	2,451	4.19	1.00	319.0	18.9	.16	2.4	NEW	9 mos.	09-84	41.6	18.5	1.1	83.3	.19	72.7	103.0	22.8	1.8	63.6	.31	63.2
Wholesalers																													
Lewis Palmer M	9.00	- .63	- 6.5	9.75	9.00	9.75	7.09	882	2.36	1.51	56.3	14.5	.28b	3.1	NEW	6 mos.	07-84	40.3	19.9	.5	- 28.6	.15	- 42.3	69.4	17.0	.8	.0	.25	- 24.2
Manufacturers																													
Allegheny Int N	27.38	- 1.13	- 3.9	28.25	27.13	28.75	18.75	899	.85	.65	30.8	NE	1.40	5.1	NEW	fiscal	12-84	354.1	- 44.0	(17.6)	- 100.0	(2.53)	- 100.0	2115.3	- 9.9	14.9	- 47.3	(2.51)	NE
Am Standard N	33.38	.50	1.5	34.13	31.88	35.38	22.88	3,080	.79	.64	23.4	10.9	1.60	4.8	NEW	fiscal	12-84	862.4	50.1	30.8	71.1	.78	20.0	3214.5	47.4	114.9	83.5	3.07	35.2
Armstrng Wrld N	35.88	- 1.75	- 4.7	38.00	34.75	38.00	22.75	8,571	3.59	1.67	115.0	9.5	1.20	3.3	.....	fiscal	12-84	382.4	7.4	18.8	43.5	.79	51.9	1569.2	9.0	92.2	46.1	3.79	49.8
Black & Decker N	24.88	- 1.13	- 4.3	26.50	24.75	26.88	17.25	18,360	3.65	1.68	117.3	12.7	.64	2.6	.....	3 mos.	12-84	503.0	40.5	29.0	8.6	.57	1.8	503.0	40.5	29.0	8.6	.57	1.8
Certain-teed N	26.13	- .13	- .5	26.38	24.75	27.13	15.50	6,287	3.31	.75	341.3	12.0	.70	2.7	.....	fiscal	12-84	273.8	5.8	13.9	73.8	.70	89.2	1189.6	14.3	43.5	31.0	2.17	25.4
Champ Intl N	22.38	- 1.25	- 5.3	23.88	22.38	26.75	16.88	24,854	2.68	1.75	53.1	NE	.40	1.8	.....	fiscal	12-84	1690.4	56.7	(115.4)	- 100.0	(2.14)	- 100.0	5121.1	20.1	(6.0)	- 100.0	(.36)	- 100.0
Clopay Corp A	23.13	1.38	6.3	23.50	21.63	23.50	13.63	209	1.74	.47	270.2	11.4	.16	.7	.....	fiscal	12-84	36.4	13.8	.9	28.6	.75	40.7	134.0	13.0	2.5	66.7	2.02	68.3
DeSoto Inc N	37.00	1.38	3.9	37.50	35.63	37.50	26.50	418	.88	.46	91.3	10.4	1.40	3.8	NEW	fiscal	12-84	78.2	39.6	3.7	- 2.6	.71	6.0	407.4	22.7	19.6	10.7	3.56	12.3
Emhart Corp N	29.50	- 2.63	- 8.2	32.25	29.00	32.25	24.53	2,107	.77	.51	51.0	9.0	1.27b	4.3	.....	fiscal	12-84	448.7	.8	25.2	- 11.9	.69	- 33.0	1795.0	6.5	90.0	6.8	3.27	6.9
Georgia-Pacific N	25.38	- .63	- 2.4	27.38	24.75	27.38	18.00	26,280	2.56	1.97	29.9	26.2	.80	3.2	NEW	fiscal	12-84	1348.0	- 17.9	(99.0)	- 100.0	(1.02)	- 100.0	6682.0	3.3	119.0	13.3	.97	.0
Insilco Corp N	21.38	.88	4.3	21.38	19.88	21.38	14.00	3,402	2.00	.77	159.7	11.2	1.00b	4.7	.....	fiscal	12-84	180.9	12.1	7.3	5.8	.42	5.0	786.9	16.7	33.0	- 3.8	1.91	- 4.5
La Pacific N	22.25	- 2.38	- 9.6	24.75	22.00	24.88	16.50	9,435	2.74	1.12	144.6	18.1	.78b	3.5	NEW	fiscal	12-84	283.7	- 3.0	21.0	195.8	.64	204.8	1230.0	11.6	42.2	51.3	1.23	50.0
MacMilln Bldel N	19.00	- 1.09	- 5.4	19.84	18.88	23.97	16.84	128	.04	.02	100.0	NE	.00a	.0	.....	9 mos.	09-84	603.0	21.3	7.5	1150.0	.04	NE	1549.1	1.7	(4.7)	NE	(.78)	NE
Manville Cp N	7.75	- .38	- 4.6	8.63	7.75	11.75	5.50	6,327	2.64	2.04	29.4	6.6	.00	.0	.....	9 mos.	09-84	512.0	12.9	28.2	38.2	.92	55.9	1400.9	7.9	59.0	- 10.6	1.68	- 26.0
Masco Corp N	32.00	.50	1.6	33.50	30.38	33.50	22.50	6,865	1.21	.69	75.4	16.0	.56	1.8	NEW	fiscal	12-84	214.7	- 20.9	21.7	- 27.2	.33	- 35.3	1019.7	- 3.8	115.9	8.7	2.00	8.7
Natl Gypsum N	43.63	- .38	- .9	45.25	41.50	45.25	27.00	8,103	5.21	2.13	144.6	6.4	1.76	4.0	NEW	fiscal	12-84	429.2	38.7	25.2	37.0	1.62	45.9	1717.5	51.9	106.8	116.6	6.86	127.9
Newell Cos N	17.63	- .88	- 4.7	18.88	17.50	18.88	13.25	653	.76	.43	76.7	10.9	.50	2.8	NEW	fiscal	12-84	89.8	24.5	4.2	16.7	.46	12.2	308.4	30.2	14.2	9.2	1.62	6.6
Owens Corning N	35.38	- 1.38	- 3.7	37.00	35.38	37.00	25.13	6,968	2.36	1.61	46.6	9.1	1.40	4.0	NEW	fiscal	12-84	756.0	2.7	33.6	2.4	1.14	- .9	3021.2	9.7	113.9	42.9	3.87	39.7
Pope & Talbot N	19.88	.38	1.9	20.00	19.00	22.75	15.00	279	.47	.33	42.4	NE	.80	4.0	NEW	fiscal	12-84	79.1	6.5	(4.7)	- 100.0	(.79)	- 100.0	320.8	12.2	(.6)	- 100.0	(.10)	- 100.0
Potlatch Cp N	33.00	- 1.63	- 4.7	35.38	33.00	35.38	25.75	9,166	5.96	.94	534.0	11.8	1.56	4.7	NEW	fiscal	12-84	236.1	1.2	10.0	- 1.0	.58	16.0	993.9	9.6	49.6	22.5	2.80	37.9
Sherwin-Wms N	31.00	- 4.00	- 11.4	35.25	30.88	35.25	23.00	7,766	3.45	1.22	182.8	10.9	.92	3.0	NEW	fiscal	12-84	501.5	6.8	9.1	24.7	.41	17.1	2075.2	5.2	65.0	17.3	2.84	22.4
Stanley Works N	29.63	.25	.9	29.88	27.75	30.38	19.50	5,212	1.93	1.52	27.0	11.4	.96	3.2	NEW	fiscal	12-84	306.0	16.3	22.4	7.2	.81	8.0	1158.4	17.8	72.4	36.6	2.60	35.4
Thos Inds N	18.25	.25	1.4	18.25	17.25	18.88	12.38	396	.47	.29	62.1	9.8	.62b	3.4	NEW	fiscal	12-84	77.1	30.7	3.9	11.4	.46	12.2	291.7	31.4	15.9	39.5	1.87	29.0
Triangle Pac N	30.50	1.75	6.1	31.25	30.25	31.25	20.75	6,280	15.45	1.89	717.5	9.2	1.00	3.3	NEW	fiscal	12-84	63.1	7.5	2.9	.0	.71	1.4	270.6	19.8	13.6	19.3	3.30	17.9
USG Corp N	69.25	4.75	7.4	71.25	61.50	71.25	45.00	9,142	5.55	2.49	122.9	6.6	3.00	4.3	.....	9 mos.	09-84	633.7	45.9	47.5	68.4	2.87	70.8	1708.0	45.3	145.3	179.4	8.79	184.5
Walter, Jim N	36.38	.50	1.4	37.00	35.50	37.00	22.00	7,233	3.45	1.75	97.1	8.3	1.20	3.3	.....	3 mos.	11-84	558.3	- 1.1	27.1	21.0	1.24	- 3.9	558.3	- 1.1	27.1	21.0	1.24	- 3.9
Waxman Ind M	18.25	2.00	12.3	19.00	15.50	19.00	4.13	936	5.52	1.58	249.4	17.1	.06	.3	NEW	6 mos.	12-84	20.4	121.7	.5	150.0	.30	233.3	40.9	109.7	1.2	200.0	.70	204.3
Weyerhaeuser N	30.75	- 1.75	- 5.4	32.50	30.63	34.00	25.00	18,433	1.42	.89	59.6	20.2	1.30	4.2	.....	fiscal	12-84	1407.8	11.7	27.4	- 60.9	.16	- 67.3	5549.7	13.7	226.2	10.4	1.52	11.8

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

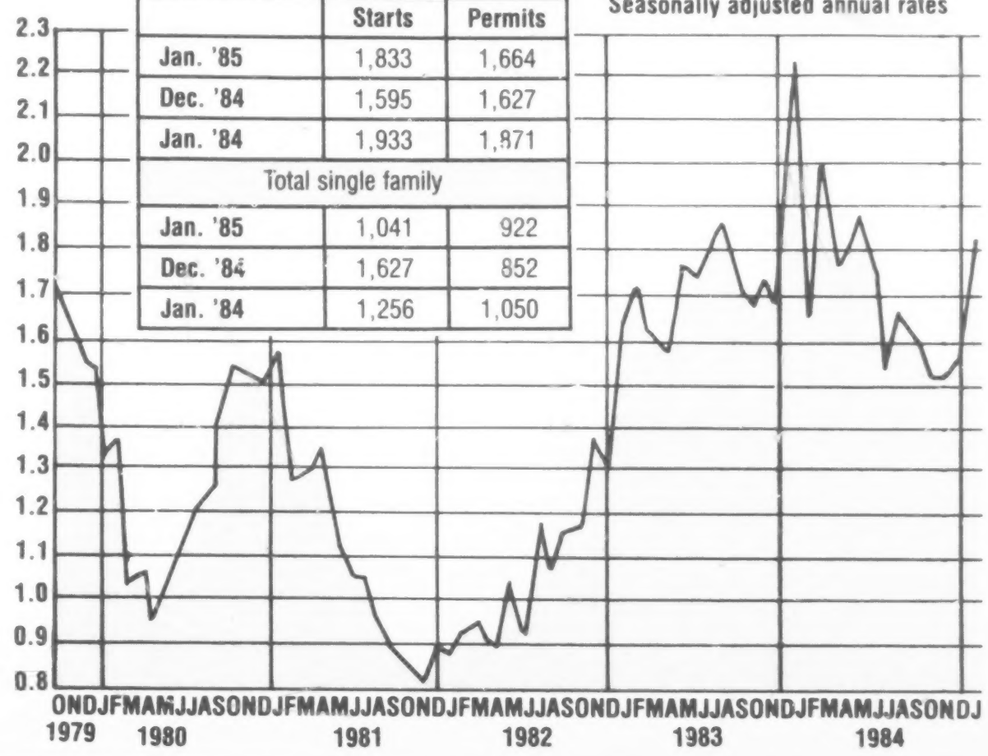
Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

HOUSING WATCH

TOTAL (in thousands)	Starts	Permits
Jan. '85	1,833	1,664
Dec. '84	1,595	1,627
Jan. '84	1,933	1,871
Total single family		
Jan. '85	1,041	922
Dec. '84	1,627	852
Jan. '84	1,256	1,050

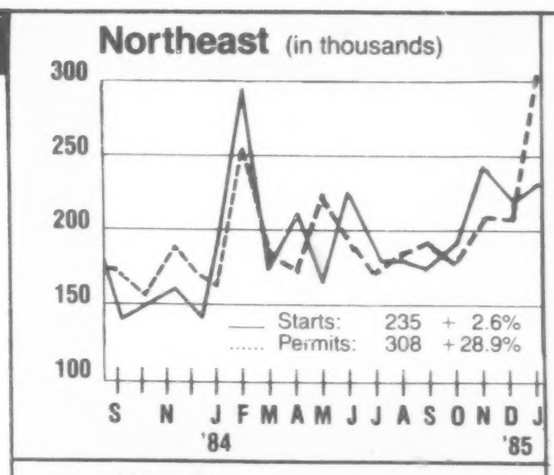
U.S. housing starts

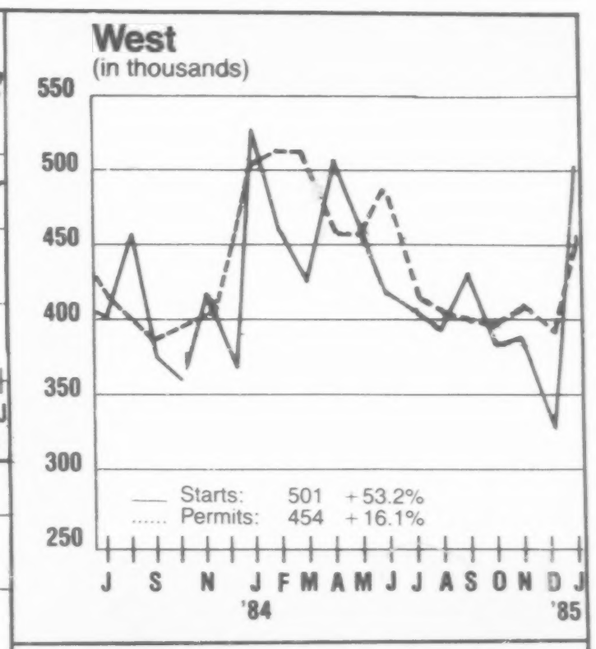
Seasonally adjusted annual rates

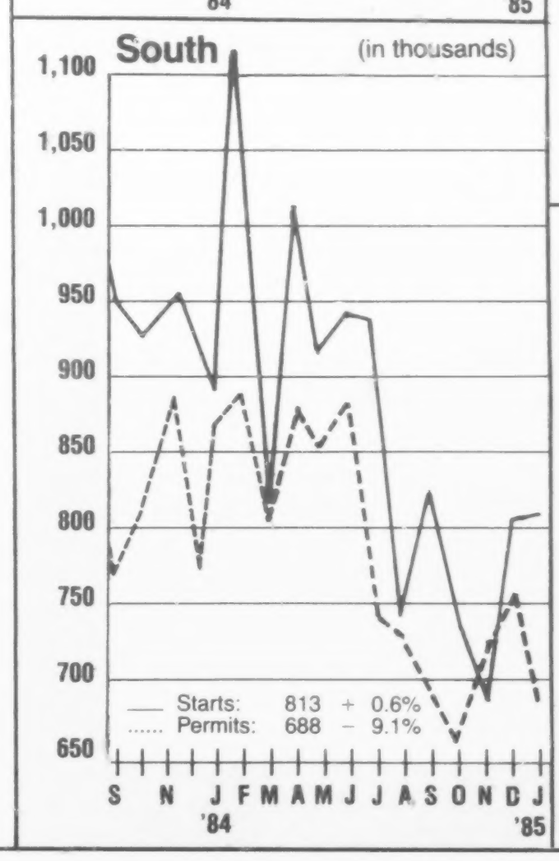


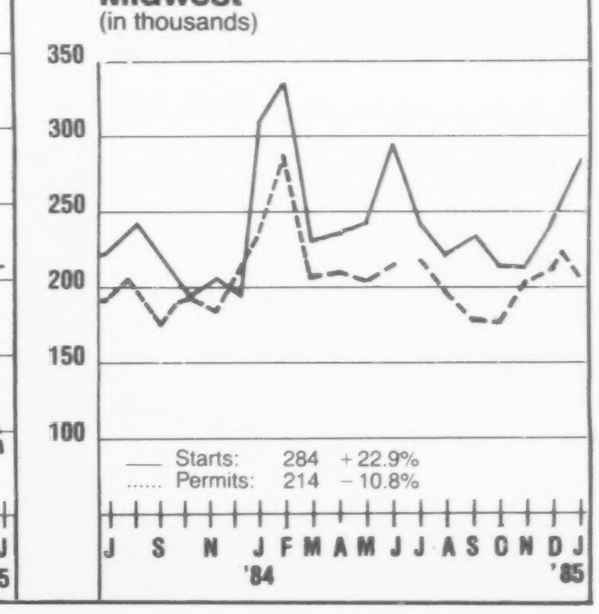
January's housing starts were higher than anticipated, with 1.83 million units, seasonally adjusted, up 14.9% from the previous month according to the Dept. of Commerce. The increase was due largely to multifamily starts as single-family starts dropped 4% from December to 1.04 million units. Total housing starts were strong in all regions but particularly in the West, which rebounded from December's low figure up 53.2% to 501,000 units, seasonally adjusted, its highest point since January 1984 recorded 53,000 units.

Source: Dept. of Commerce, Bureau of the Census









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January housing starts rise 14.9% above December

WASHINGTON — January jumped off to a surprising start for new home construction. New starts rose 14.9% above the previous month to 1.83 million units, seasonally adjusted, according to the Dept. of Commerce.

"This was largely due to multifamily housing, because builders push to start before tax proposals come in," said Gopal Ahluwalia, vp of economics at the National Assn. of Home Builders.

Multifamily starts rose almost 55% above December's figures to 792,000 units, seasonally adjusted; the greatest increase comes from buildings with five or more apartments. This is the highest level of multifamily building since July; 734,000 units were started then.

Although January's single family starts were down by 4.1% to 1.04 million units, seasonally adjusted, it is still a strong figure. "We're going to have a good six months ahead," said Ahluwalia.

Total housing starts rose in all regions, in part due to a response to the continued decline of interest rates. Fixed rates have now fallen below 13% which breaks the affordability barrier for many people, and thus, brings more home-buyers into the market.

The West had the highest increase in start activity in January, up 53.2% from the previous month with 501,000 units, seasonally adjusted. Although this large increase partly reflects low December figures, the level of start activity is the highest since January 1984, when 530,000 units were begun.

Building in the Northeast continues at a healthy pace with a 2.6% increase in start activity from January to December; this is 26% above January last year. Building permits, an indicator of future activity, rose nearly 29% in the Northeast, above December's level.

It appears that the housing market may well reflect last year's pattern, which was a very strong first and second quarter, with activity falling off in the third should interest rates rise.

LUMBER REPORT

Congress ponders limiting Canadian imports

WASHINGTON — The two-year threat of import duties on Canadian lumber, took sudden dimension Feb. 7, when 23 members of the U.S. House of Representatives introduced legislation to limit imports of Canadian softwood lumber, siding, shakes and shingles, and particleboard, for a five-year period.

The bill, H.R. 1088 or The Canadian Softwood Import Control Act, seeks to limit the Canadian imports to 25% of U.S. consumption—its "historical share," according to Rep. James Weaver (D-Ore.), one of the bill's main co-sponsors. As of mid-February, the legislation was being discussed by a House subcommittee at which U.S. and Canadian representatives had been invited to testify.

While the bill's aim, at least on paper, is to impose import tariffs, the intent is to bring about effective discussions and a satisfactory voluntary resolution of the Canadian softwood import controversy, according to Washington sources.

"We needed action in order to show that we're sincere on this issue," said Steve Buckner, legislative director for Rep. Larry Craig (R-Idaho), another co-sponsor. "We are trying to leverage voluntary action by U.S. and Canadian trade representatives."

A meeting was scheduled for Feb. 26 in Ottawa between officials from both Governments. The planned discussion was being hailed as the first meaningful step to resolve the issue. U.S. Trade Rep. William Brock has told members of Congress he is hopeful that this session will result in mutual understanding and appreciation of the problem facing the U.S. lumber and wood products sector.

Imports of Canadian softwood lumber have risen dramatically since 1975, shrinking demand for U.S. lumber products. Between 1978 and 1982, the consumption and production of softwood lumber by U.S. firms fell by nearly one-third, according to Representative Weaver's office. During the same period, imports of Canadian softwood lumber to the U.S. rose from 28% to 32% of our domestic market. In 1975, Canadian imports accounted for only 19% of U.S. softwood lumber consumption.

A variety of factors have contributed to the cutback in production by U.S. producers and the Canadian gains:

- Differences in appraisal and selling methods for timber have made Canadian stumpage prices about one-half U.S. Forest Service Region 6 prices in good market years, and in some years may be as low as one-sixth of Region 6 prices.
- Lower in-country rail rates favor Canadian lumber producers, creating a gap between

(Continued on page 18)

Commodity close-up: Western & Southern Plywood

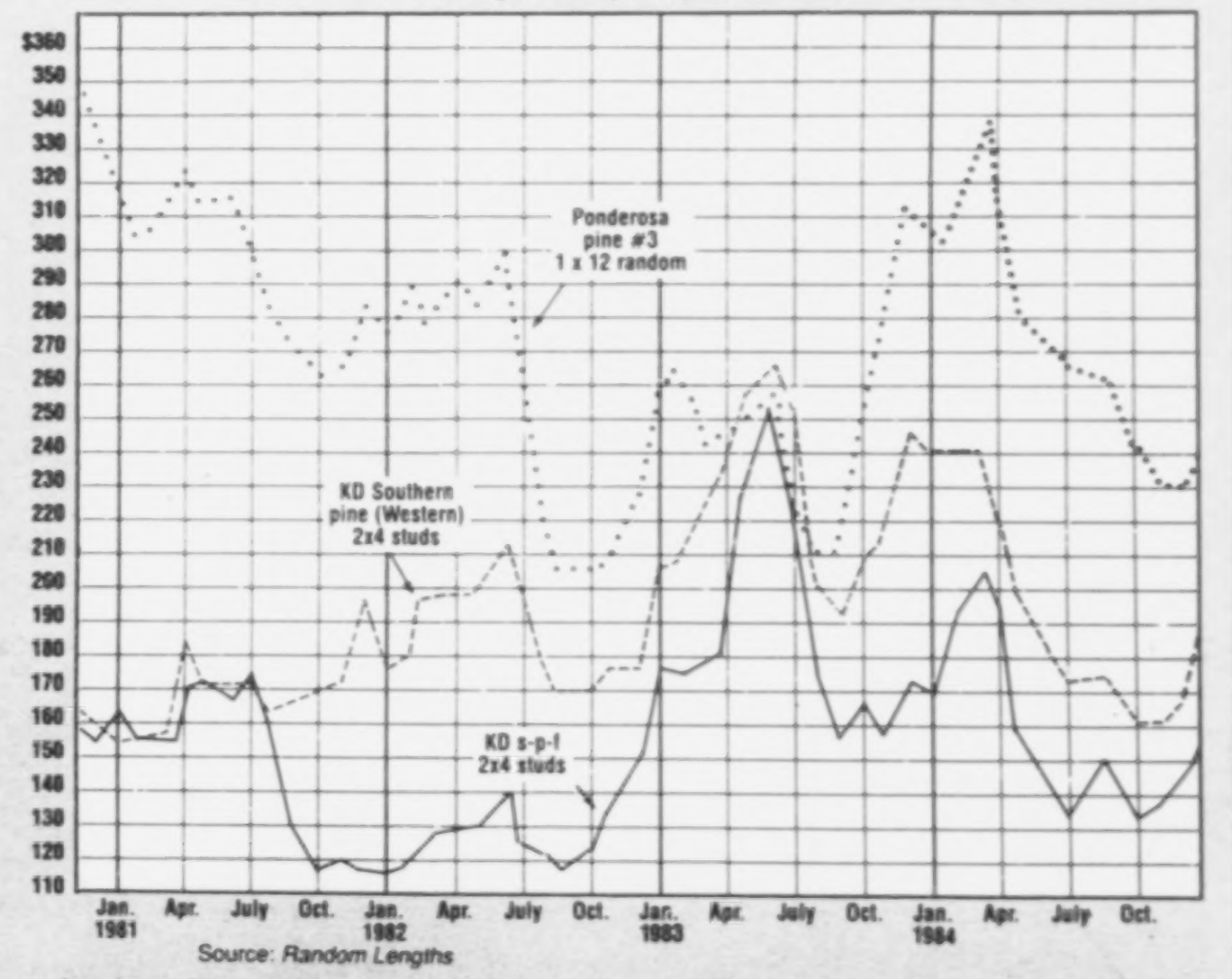
Average monthly mill prices

Prices for western plywood dropped drastically by the end of January, while southern pine plywood (western) prices remained stable. Western plywood sold for $189 per thousand square feet in January, down from December's $207 figure.

Southern pine plywood (westside), sold for $173 per thousand square feet in January, off slightly from December.

Commodity close-up: Studs & boards

Average monthly mill prices



Source: *Random Lengths*

Lumber prices continued to strengthen in January. KD southern pine (western) sold for $188 per thousand board feet, a slight rise from December's $187.

A thousand board feet of KD s-p-f studs sold for $160 in January, up $10 from December's figure. Ponderosa pine #3 1X12's were $258 per thousand board feet, up sharply from December's price of $236.

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FUTURES

Two weeks ended Feb. 14, 1985

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.							
March '85	152.00	145.70	149.40	150.00	4,043	221.30	130.30
May	162.20	155.00	160.20	159.10	2,477	220.40	139.30
July	169.30	162.10	167.40	165.60	1,039	225.00	147.00
Sept.	172.50	165.20	170.90	169.50	885	230.50	153.00
Nov.	173.20	165.80	172.00	170.10	899	197.50	157.50
Jan. '86	178.00	171.20	176.70	174.50	196	186.10	167.30
March	181.00	175.60	180.60	177.60	39	188.20	173.50

Total Contract Vol. (Through 2/14): 21,198 — **Previous Two Weeks: 25,950**
Total Open Interest (as of 2/14): 9,578 — **Previous Week: 10,198**
Cash Price: $148.96 — **Previous Week: $148.96** — **Year Ago: $184.24**

CME—Chicago Mercantile Exchange — CBT—Chicago Board of Trade
*Figures for Thursday, Feb. 14.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

LUMBER REPORT

Congress ponders new legislation to limit Canadian lumber imports

(Continued from page 16)

U.S. and Canadian transport costs. And, the Jones Act requirement that U.S. intracoastal trade use U.S. ships (which cost more than non-U.S. ships to operate) virtually prohibits waterborne shipments from the western U.S., to the East Coast.

• The exchange rate between Canadian and U.S. currency, however, is probably the most significant influence on Canadian lumber imports. The value of the U.S. dollar relative to Canadian currency has declined from near par in 1972 to 75¢ today. Canadian producers derive a tremendous advantage in paying production costs in Canadian dollars while receiving revenues in the higher valued U.S. currency.

Lumber producers on both nations face excess production capacity. In 1978, the only year in the past decade that housing starts rose above 2 million units, production and consumption of softwood lumber reached all-time highs. Now, demand has fallen off dramatically in the U.S. and Canada, and it is not expected to return to the heyday of the 1970's. Although many mills have closed or limited production, some industry observers believe there will be another shakeout before the situation stabilizes.

Lumber producers have become restless. In 1982, an association of 250 U.S. lumber mills filed a countervailing duty petition with the International Trade Association (ITA) and International Trade Commission (I.T.C.). They charged that Canada was subsidizing timber harvesting and the export of lumber into the U.S. The ITA ruled against the U.S. producers and found that Canadian stumpage programs did not provide the Canadian industry a subsidy.

Two months ago, the National Lumber and Building Material Dealers Association (NLBMDA) reported that some U.S. manufacturers have established a steering committee to investigate regulatory approaches to restrict Canadian lumber such as duties and antidumping provisions. And recommendations to Representative Weaver by U.S. manufacturers witnesses during a recent hearing ranged from a voluntary quota system by the Canadians to a complete Canadian lumber phaseout by 1990.

Some other U.S. lumber producers—mainly five large companies including Roseburg Lumber Co. of Oregon—are exploring the possibility of filing damage claims with the International Trade Commission. "Right now, we're gathering data on lumber production from a large number of manufacturers. Our attorneys think we have a good case for seeking compensation," said John Stephens, president of Roseburg Lumber.

If the carrot of negotiation fails, the bill's sponsors want the U.S. Government to use the tariff stick. "The legislation would empower the Secretary of Commerce to fix the percentage of Canadian softwood imports, depending on circumstances," added Buckner.

According to some observers, however, the bill is given a little chance for passage.

"The bill's sponsors really have little hope that the measure will be enacted," said Paul Ehinger, lumber industry consultant and former head of the Coalition for Fair Canadian Imports. The coalition had pushed for the countervailing duty claim against Canadian producers in 1982. Ehinger added that the congressmen viewed the proposed legislation as an additional bargaining tool or as "another chip to be used in negotiations."

Harry Horrocks, director of government affairs for the NLBMDA said, "Congress isn't going to do much until they have had a chance to evaluate the results of the Ottawa trade meeting." He added, "retailers, on the whole, are not in favor of any restrictions."

Sen. Mark Hatfield (R-Ore.) called the legislation "a pipe dream," saying it was not likely that the U.S. Department of State would allow any U.S. agency to create obstacles to Canada-United States trade because "Canada is our closest neighbor and friend."

Harry Horrocks agreed with Hatfield that trade restrictions would be unlikely because Canada is the U.S.'s largest trading partner. "More and more small- and medium-sized mills will be forced to close and the trade conflict could escalate, but duties are not likely."

Paul Ehinger said that there has to be some agreement between the two nations and he doesn't see the import tariff bill passing. Perhaps instead, the Canadians would monitor their lumber exports to the U.S. and "exercise restraint," according to Ehinger. He added that the future of lumber production in both nations could be bleak. "The Canadian lands are becoming less productive and with the low price of timber in the U.S., companies aren't investing in the industry. There could be lumber shortages down the road if this situation goes unsolved."

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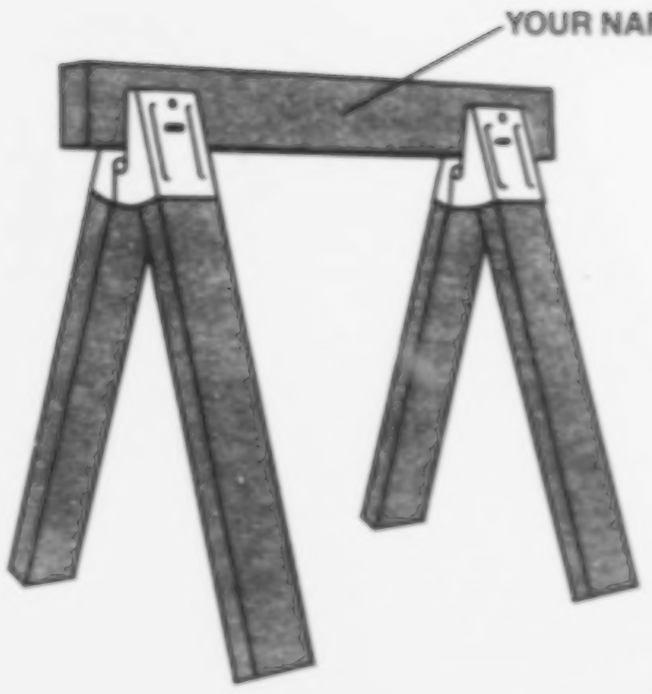

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SYSTEMS & OPERATIONS

DIY videotex use poised for dramatic increase

NATIONAL REPORT — The use of in-store videotex terminals in building materials outlets is poised for a dramatic increase, according to a new report from Frost & Sullivan, the New York market research firm.

Some 2,720 videotex installations are projected to be in place in building supplies outlets by the end of this year. The figure is expected to grow to 6,800 in 1986. Some 12,700 such terminals are projected to be in use by the end of 1987, and about 18,100 by the end of the following year.

The building materials, hardware and garden supplies segment of retailing "should be readily adaptable to in-store videotex demonstrations," according to the report. Do-it-yourselfers "invariably become involved in a dialogue concerning their various projects," stated the report, which added that "home gardening information has been the subject of radio and television coverage for decades, and electronic gardening seminars on nursery premises would be a natural extension."

Entitled "The U.S. Market for In-Store/Public Access Videotex," the new report estimated that only 1,000 installations of videotex terminals were in place in 1984. Of that number, some 750 were positioned in stores, while the remainder were in so-called "public access" locations. This term referred primarily to public areas in shopping malls, where the terminals are being used to direct shoppers to various stores for the products they want to purchase.

Most videotex terminals work with "touch screen" controls. Using this method, a customer will approach a free-standing terminal which has a television-like screen. Directions on the screen explain what parts of the screen should be touched in order to call up required information. The customer might touch a specific product category, and in return he receives information concerning in what part of the store that product can be found.

The total number of videotex installations is projected to increase to 111,200 by the end of 1986. Of this total, some 65,800 are expected to be in place in retail stores, while the rest should be in public access areas. By the end of 1988, the total figure should come to 400,000, with 274,400 in place in retail stores of all kinds.

Frost & Sullivan interviewed 18 major chain retailers for the report, along with 15 systems and hardware providers. The report also provided detailed reports of 12 videotex installations, including those under way at Sears, Roebuck, and at Wegmans Food Markets, parent company of Chase-Pitkin, the home center chain based in Rochester, N.Y.

Demand for In-Store Videotex Installations in Building Materials, Hardware and Garden Supplies Stores.

	1985	1986	1987	1988
Potential locations (000)	90.5	90.5	90.5	90.5
Penetration level (%)	2.0	5.0	7.0	10.0
Projected actual installations (000)	2.7	6.8	12.7	18.1
Hardware cost ($ millions)	13.6	33.9	63.4	90.5
Advertising/information cost ($ millions)	45.2	113.1	158.4	226.2

Projected Videotex Installations*

	Demand for Terminals		
	1983/84	1986	1988
Public Access	250	45,400	125,600
Retail Outlets	750	65,800	274,400
Total	1,000	111,200	400,000
	Videotex Industry Revenues ($ millions)		
Public access	12.5	529.4	1,168
Retail outlets	37.5	823.6	2,900
Total	50.0	1,353	4,068

Source: Frost & Sullivan, New York.
*Does not include shop-at-home videotex services.
NHCN chart

Computer helps independent with growing volume

(Continued from page 146)

tory control goes back to before the days of electronic processing at Ring's End. Prior to the installation of its first computer system in 1971, the retailer "had a manual inventory control system," according to David Campbell. "At that time, we were maintaining ledger cards for 4,000 individual items." Several salesmen spent a lot of hours updating these cards, on a daily basis.

"We were always sensitive to the needs of good inventory control," said Campbell.

The installation of the 2000-XP system at Ring's End recalls the origins of Dataline with that retailer in the early 1970's. Hugh Bell, who had worked as a software designer for close to two decades, was interested in starting a computer company that would focus on providing systems for one growth market. Although lumberyards were on his list of potential markets, Bell had't yet zeroed in on it until a computer forms salesman, Gerry Snider, informed him that Ring's End was considering taking on a computer system.

"Hugh came in and chatted with me and seemed to understand my problems better than other computer people," said Doug Campbell. The retailer cancelled a contract with IBM and hired Bell to develop a system.

After three months spent developing software, Bell linked Ring's End, via telephone wires, to his own computer setup in his basement in New Canaan, Conn. After perfecting the system in this manner, it was sold to other building supplies retailers.

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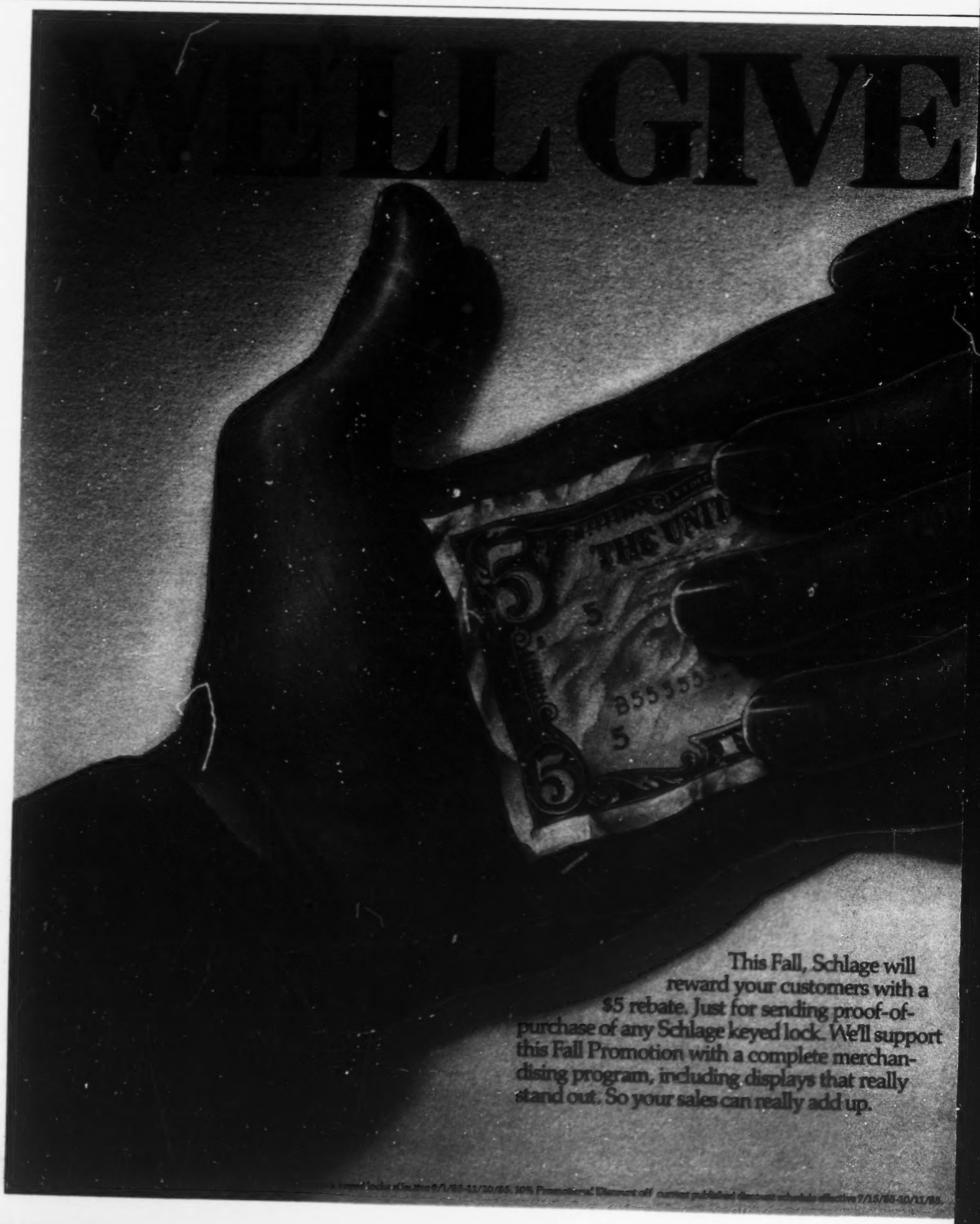
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